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THE CLAIM FOR INTEREST ON THE Advances of Massachusetts IN THE WAR OF 1812-15.

During the war of 1812-15 with Great Britain, Massachusetts advanced for the use of the United States \$657,924.74, as audited and allowed at the War Department, and as paid by appropriations made by Congress in 1830 and in 1859.

By the articles of separation between Massachusetts and Maine, in 1820, the claim for these advances was divided between the two States, in the proportion of two-thirds to Massachusetts and one-third to Maine, and both States have recently assigned their rights to interest upon these advances to the European and North American Railway Company, which is constructing a road between Bangor, in Maine, and St. John, in New Brunswick, and thereby extending the whole railroad system of the United States to Halifax, Nova Scotia, and shortening the ocean voyage between Europe and America one-third.

It has been the uniform practice of the Government to pay interest to the States upon their advances made for war purposes.

This was done in respect to their advances for the Revolutionary war, by the acts of Congress of August 5, 1790, and of May 31, 1794. By these acts interest was allowed to the States, whether they had advanced money on hand in their treasuries or obtained by loans.

In respect to the advances of States during the war of 1812-15, a more restricted rule was adopted, viz: That

States should be allowed interest only so far as they had themselves paid it, by borrowing, or had lost it, by raising money by the sale of interest-bearing funds.

Interest, according to this rule, has been paid to all the States, with the exception of Massachusetts, which made advances during the war of 1812-15.

Virginia,	U. S.	Statutes at Large,	vol. 4,	page 132.
Maryland,	"	"	"	161.
Delaware,	"	"	"	175.
New York,	"	"	"	192.
Pennsylvania,	"	"	"	241.
South Carolina,	"	"	"	499.

In Indian and other wars the same rule has been observed, as in the following cases :

Alabama,	U. S.	Statutes at Large,	vol. 9,	page 344.
Georgia,	"	"	9,	626.
Washington Territory,	"	"	11	429.
New Hampshire,	"	"	10	1.

During the Mexican war (see Statutes at Large, vol. 9, page 236) a general provision was made in the following language :

"That in expending moneys under this act and the resolution which it amends, it shall be lawful to pay interest, at the rate of six per centum per annum on all sums advanced by States, corporations or individuals in all cases where the State, corporation or individual paid or lost interest, or is liable to pay it."

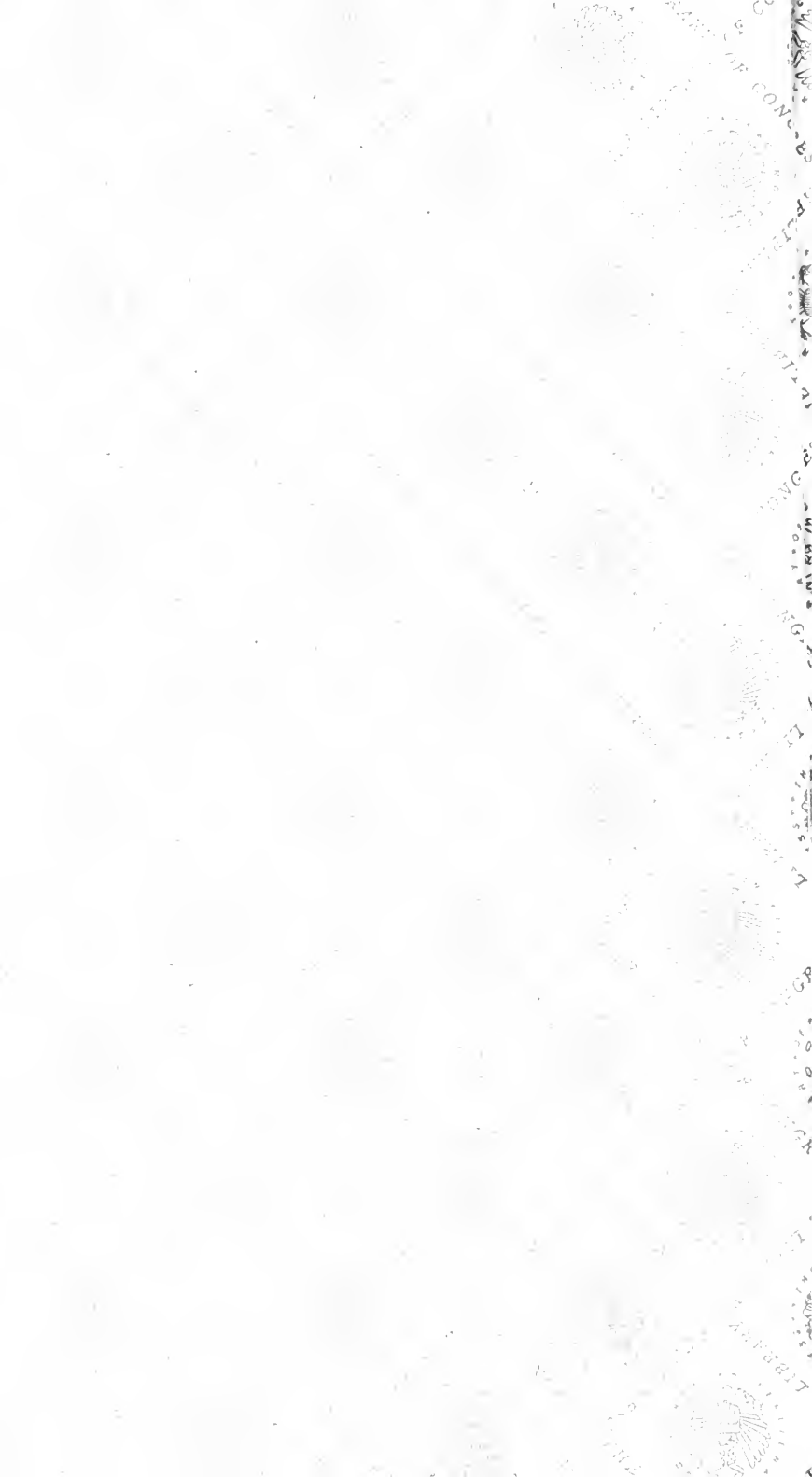
What is now asked is, that Massachusetts and Maine should be repaid the interest which they have themselves actually paid, in consequence of having made advances for the use of the United States, and according to the precise rule and measure which has been applied to all other States in the same circumstances.

This claim for interest could not be made until the accounts of Massachusetts for the principal of her advances

were finally adjusted, and this was not done until 1859. The claim for interest was then immediately made, and has continued to be made to the present time, although, of course, it was not pressed during the late civil war.

This claim has received the sanction of a select committee of the House, and of the committee of the House on Foreign Affairs. See House Report No. 119, First Session, 38th Congress, pages 18, 19, and 20, and appendix "E," pages 79 and 80. Also, House Report, No. 7, pages 18 and 19, Second Session, 39th Congress.

The Senate Committee on Foreign relations have twice reported bills for the payment of this claim. See Senate bill No. 457, Second Session, 39th Congress, and Senate bill No. 45, First Session, 40th Congress.



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